LIBERTY TAX SERVICE®

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June 29, 2007

Ms. Mary Winstead
Office of the Clerk
United States District Court
600 Granby Street
Norfolk, VA 23510

Re: JTH Tax, Inc. v. Jerome Reed (Case No. 2:07cv169)

Dear Ms. Winstead:

I am in receipt of your letter dated June 15, 2007 in which you request a written report as to the above referenced matter.

Both parties are currently before a New Jersey court in a similar dispute and are currently in the process of working out a venue transfer matter. After the venue dispute is resolved, we anticipate that the New Jersey action will be consolidated with the action currently pending before this Court.

Thank you for your patience. I will update the Court as to any progress or changes.

Thank you very much.

Yours truly,
LIBERTY TAX SERVICE

Vanessa Szajnoga

Vanessa Szajnoga
Corporate Counsel

JUL - 2 2007
CLERK, U.S. DISTRICT COURT
NORFOLK, VA